

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 12/28/2017

GAIN Report Number: MO1714

Morocco

Retail Foods

2017

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Report Highlights:

Morocco, a U.S. Free Trade Agreement partner, has been a small and declining market for U.S. food and beverages in the retail sector. In 2016, U.S. exports of consumer-oriented agricultural products to Morocco totaled only \$22 million. Best prospects include: rice; pulses; tree nuts; dried fruit; apples; canned fruit and vegetables; dairy products; frozen food, including seafood; breakfast cereals; flour mixes; confectionary; snack foods, including popcorn, cookies, and crackers; health and diet products; sauces and condiments; wine, beer, spirits; and pet food. Beef and poultry also have potential if market access barriers are removed.

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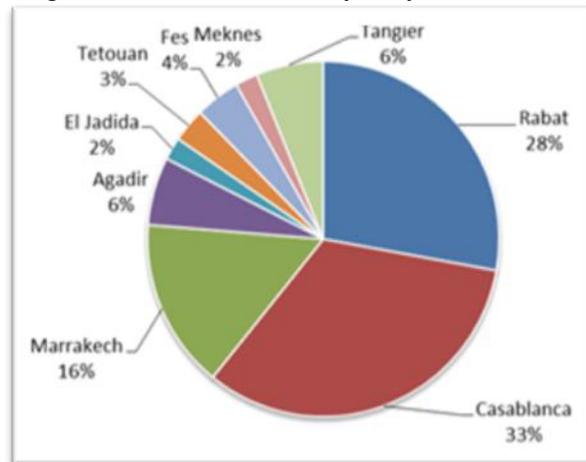
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SECTION I. MARKET SUMMARY

In 2007, Morocco’s Ministry of Industry introduced the Rawaj Vision 2020 program, which aimed to modernize distribution and supply chains and boost the sector’s contribution to GDP from 11% to 15%. To achieve this, the plan called for the development of 600 supermarkets and hypermarkets, as well as 15 malls and 15 outlet stores. At present, Morocco’s food retail market currently represents 12% of GDP, and hypermarkets account for 15% of food retail as they have expanded to second-tier cities as well as lower-income areas of the major cities. Meanwhile, the Casablanca-Rabat corridor accounts for about 50 percent of all modern retailers.

Figure 1: Retail Outlets by City



sales well

Source: Ministry of Industry, Investment, Trade and the Digital Economy

While the Ministry of Industry estimates traditional channels still account for 80% of grocery retailing, this allows signals considerable room for expansion. Industry sources currently anticipate modern, large-scale distribution will support 30% of national consumption by 2025, supported by changing demographics, urbanization, and the evolution of the consumers’ purchasing behaviors, which should in turn create additional opportunities for imported food products.

Table 1: Grocery Retail Outlets by Channel in Morocco, Number

Outlet	2011	2012	2013	2014	2015	2016
Modern Grocery Retailers	1,665.0	1,756.0	1,858.0	1,944.0	2,104.0	2,250.0
- Convenience Stores	141.0	142.0	155.0	169.0	188.0	205.0
- Discounters	85.0	110.0	165.0	196.0	285.0	355.0
- Forecourt Retailers	1,142.0	1,169.0	1,193.0	1,217.0	1,258.0	1,307.0
-- Chained Forecourts	46.0	48.0	48.0	50.0	69.0	105.0
-- Independent Forecourts	1,096.0	1,121.0	1,145.0	1,167.0	1,189.0	1,202.0
- Hypermarkets	45.0	52.0	54.0	63.0	66.0	67.0
- Supermarkets	252.0	283.0	291.0	299.0	307.0	316.0
Traditional Grocery Retailers	235,898.0	236,784.0	237,705.0	238,712.0	239,846.0	240,569.0
- Food/Drink/Tobacco Specialists	38,688.0	39,106.0	39,505.0	39,940.0	40,367.0	40,777.0
- Independent Small Grocers	164,670.0	164,884.0	165,131.0	165,412.0	165,809.0	166,041.0
- Other Grocery Retailers	32,540.0	32,794.0	33,069.0	33,360.0	33,670.0	33,751.0
Total Grocery Retailers	237,563.0	238,540.0	239,563.0	240,656.0	241,950.0	242,819.0

Source: Euromonitor (trade associations)

Marjane Holding (Marjane and Acima) and Label’Vie (Carrefour, Carrefour Market, and Atacadao) are Morocco’s leading modern food retailers with other notables including Ynna (Aswak Salam) and BIM.

Trends in Retail

- Marjane, Label’Vie, and Ynna are focused on opening new outlets, including extending their reach to second-tier cities, including Taza, Beni-Mellal, Fquih, Ben Salah, Al Houceima, Kalaat, Sraghna, and Larache.
- Marjane and Label’Vie have shifted to focus solely on business to consumer transactions.
- Ynna has increased focus on wholesalers.
- Modern retailers have developed their own private labels and are marketing them as “Most Economic,” including for some imported products.
- Modern retailers are making inroads to lower costs through increasing economies of scale, making them increasingly competitive with traditional “mom-and-pop” outlets and thus increasingly attractive to the vast majority of Moroccan consumers who remain very price sensitive.
- The expansion of modern food retail is changing Moroccans’ consumer habits as the public becomes more accustomed to seeing new products, including frozen foods.
- Online grocery sales in Morocco remain very small but are also developing by both upstart and established retailers. Jumia (Africa Internet Group) is the current leader, with 3.3% market share. Other notable e-retailers include Webstore and Epicerie.ma. Brick-and-mortar retailers are incorporating online ordering services while offering rapid delivery and cash payment on delivery.

Table 2: Sales in Non-Store Retailing by Channel, Million Moroccan Dirham

	2011	2012	2013	2014	2015	2016
Direct Selling	922	1,043	1,171	1,351	1,565	1,610
Internet Retailing	1,597	1,663	1,773	2,008	2,290	2,477
Vending	219	224	232	241	249	251
Internet Pure Play Retailers	1,597	1,259	669	361	202	154
Mobile Internet Retailing	-	191	213	251	298	384
Non-Store Retailing	2,738	2,931	3,176	3,600	4,104	4,338

Source: Euromonitor (trade associations)

Table 3: Advantages and Challenges Specific to the Moroccan Retail Market

Advantages	Challenges
Growing perception that supermarkets offer safer and cheaper products.	Supply chain: (1) Retailers have leveraged past and present foreign investment into Moroccan retail by U.S. competitors (Europe, Turkey) (2) U.S. multi-national food companies have regional production.
Expanding volumes through and coverage of modern distribution channels and retail outlets.	Market size: 35 million Moroccans, 10-15 percent of which can afford to buy imported products.
Increased acceptance of packaged food.	Entry fees for new products

SECTION II: ROAD MAP FOR MARKET ENTRY

The best way to introduce new products to these supermarkets is through established importers, which supply a large share of imported food products to the large supermarket chains in Morocco. Many have long experience and direct relations with supermarkets, which can be otherwise difficult to work with for new market entrants, including organizing in-store promotions. Importers have their own distribution fleet and are able to deliver in relatively small volumes, including to smaller supermarkets outside this category. Importers also provide financing to supermarkets. Moroccan food retail importers frequent the following food trade shows: SIAL (Paris), ANUGA (Germany), ALIMENTARIA (Spain), and Gulfood (Dubai).

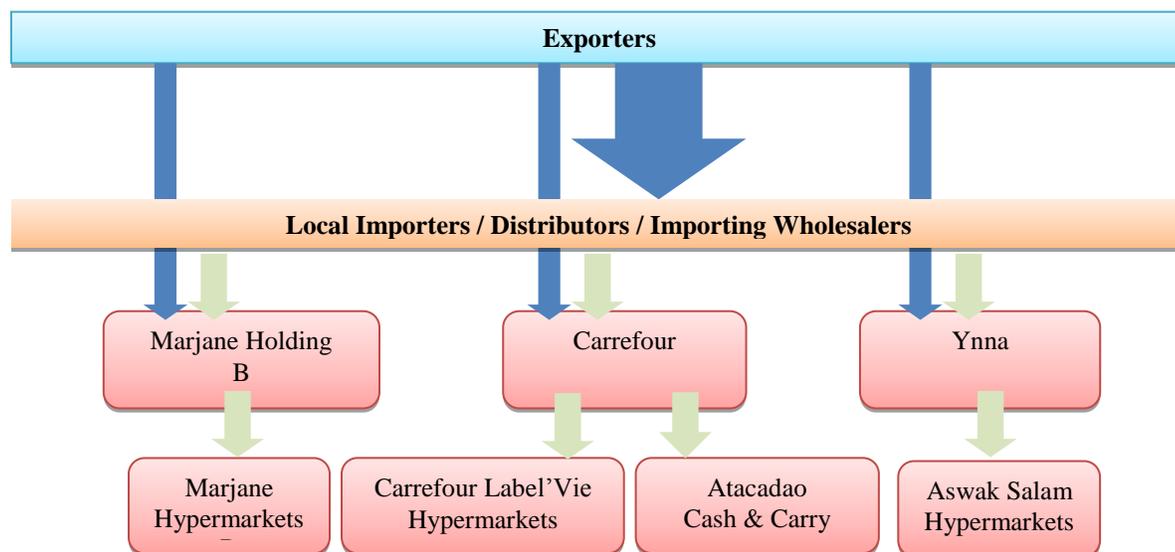
For additional information, see the [Morocco Exporter Guide](#).

Hypermarkets

Hypermarkets in Morocco have large parking lots that can fit up to 1,000 cars but are not often within walking distance. They stock over 17,000 SKU in food items and are believed to account for 40-50 percent of total sales.

This category is aggressive in promoting their products. They publish monthly brochures and occasional flyers where the importers promote their products. Also, these supermarkets, especially Marjane, advertise regularly on the radio for available sales and discounts to attract customers. They have also promoted a card that provides interest-free delayed payments to consumers. Atacadao positions itself halfway between a hypermarket and a discounter, attempting to target lower-income consumers, professionals, and small retailers.

Figure 2: Modern Distribution Channel for Hypermarkets



Source: FAS/Rabat

Table 4: Morocco's Hypermarkets

Retailer Name	Ownership	Est. Turnover (\$Mil.)	Est. # of Outlets	Locations	Purchasing Agent type
 Marjane	Moroccan: SNI Group	\$1,000	38	Casablanca, Rabat, Sale, Marrakech, Meknes, Taza, Tanger, Agadir, Kenitra, Mohammedia, Safi, Tetouan, Oujda, Saidia, Nador, Fes, Khouribga, Beni Mellal, Kelaat Es-Sraghna, Saleh, Al Hoceima, Fkih Ben	Centralized purchasing platform through Marjane Holding
	Moroccan-French JV: HLV SAS (95% Label' Vie, 5% Carrefour)	\$300-350	11	Casablanca, Meknes, Fes, Marrakech, Mohammedia Rabat, Agadir, Oujda, Tanger	Centralized purchasing platform through Carrefour
 Carrefour		\$66-90	7	Casablanca, Fes, Rabat, Marrakech, Sale, Meknes, Tanger	
 أسواق السلام aswak assalam	Moroccan: Ynna Holding	\$150-200	12	Rabat, Marrakech, Agadir, Tanger, Casablanca Mohammedia, Kenitra, Emara, Oujda, Essaouira	Centralized purchasing

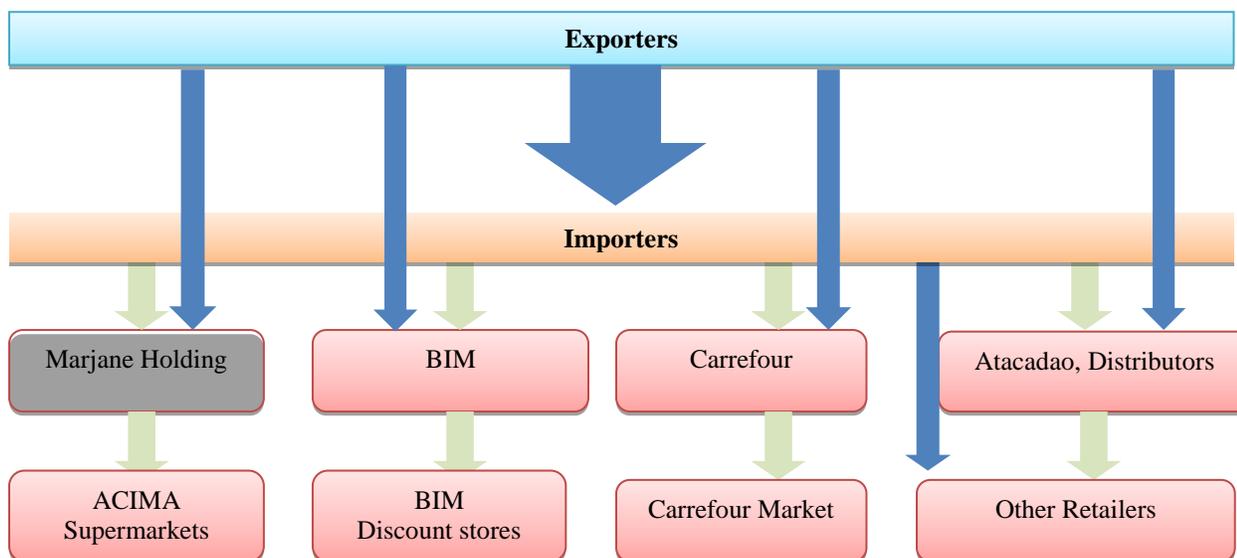
Source: Industry websites; Ministry of Industry, Investment, Trade and the Digital Economy

Supermarkets, Discounters, and Convenience Stores (including Gas Marts)

Supermarkets and discounters are located in, or within walking distance to, medium to high-income neighborhoods and are designed to attract urban consumers from the traditional mom-and-pop shops and open-air markets. They are much smaller than hypermarkets but have a minimum of 20,000 ft² and 3 to 6 registers with limited parking space. With the exception of BIM, retailers in this category do not import directly. ACIMA and Carrefour Market buy through their respective purchasing boards.

- ACIMA has opened 42 supermarkets since 2002 and expects to open 5 new supermarkets annually in the coming years. ACIMA is estimated to stock at least 5,000 items.
- Carrefour Market carries stocks around 10,000 products, including 4,000-5,000 food items, including specialty products like pork and alcohol.
- Discount food outlets such as BIM, which first opened in 2009, have grown popular in Morocco, followed by relative new-comer British group Costcutter. Label' Vie addresses the deep-discount market segment through its Atacadao stores.

Figure 3: Modern Distribution Channel for Supermarkets, Discounters, and Convenience Stores



Source: FAS/Rabat

Table 5: Morocco's Supermarkets/Discounters

Retailer Name	Ownership	Turnover (\$Mill)	Est. # of Outlets	Locations	Purchasing Agent type
	Moroccan: SNI Group	\$250-300	42	Casablanca, Rabat, Tanger, Marrakech, Fes, Safi, Khouribga, Beni Mellal, El Jadida, Temara, Berrechid	Centralized purchasing platform through Marjane Holding
	Moroccan-French JV: HLV SAS (95% Label'Vie, 5% Carrefour)	\$250-300	51	Casablanca, Rabat Meknes, Mohamedia, Kenitra, Marrakech, Fes, Khemissat, Agadir, El Jadida, Settat, Temara, Safi, Sale	Centralized purchasing platform through Carrefour
	Turkish: Groupe Birlesik Magazal A.S	\$15-20	335	Casablanca, Rabat, Sale and plans to cover other regions.	Centralized purchasing platform
Other Small Supermarkets (> 3 registers, >25000 ft ²)	Local – private	\$50-100	30	Casablanca Rabat Agadir	Buys from Importers, and wholesalers
Other Large Grocery Stores (Self-service, > 1 register, < 2000 ft ²)	Local -private	\$100-150	270	Casablanca Marrakech, Rabat Agadir	Buys from Importers and Wholesalers

Source: Industry Websites

Gas-marts are 500 to 3,300 ft² with one electronic register and carry mostly convenience foods, often located in or along highway rest stops connecting Morocco’s major cities. This segment is likely to continue developing into the future. Stores are usually expensive and carry some imported convenience items, including snack food, non-alcoholic drinks, and confectionary.

Table 6: Gas Mart Retail Chains in Morocco 2017

Retailer Name	Est. # of Outlets	Location	Purchasing Agent
Afriquia Mini-Brahim (Managed by Maroshop) 	26	Casablanca, Marrakech, Agadir, Meknes, Fes, Settat.	Buys from Importers and distributors.
Mobile Gas Stations on the Run developed by Exxon	16	Casablanca, Rabat, Marrakech	Buys from Importers and distributors.
Shell Gas Stations (Select Shop)	25	Casablanca	Buys from Importers and distributors.

Source: Industry websites

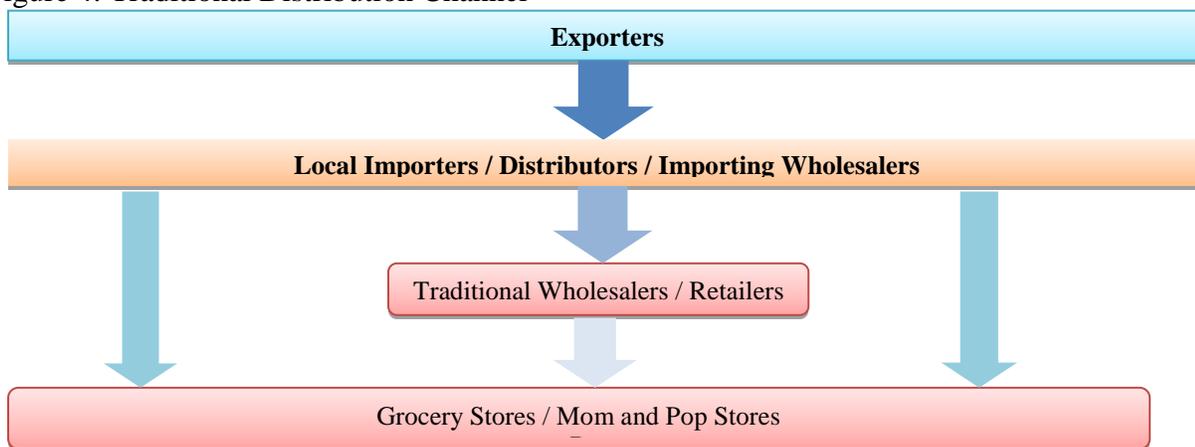
Traditional Markets - "Mom & Pop" Small Independent Grocery Stores

This category includes an estimated 45,000 grocery stores are not in the above categories. Their size varies from less than 226 ft² to 1,000 ft². These shops have limited financial resources and are typically managed by one person. The consumer often cannot help himself in this store because the goods are behind a counter. Therefore, the shop owner plays a major role in introducing new brands to the consumer. These are literally packed with a wide range of convenience items. Many of these stores in the cities have a refrigerator and a very small number have ice cream freezers. Convenience, proximity, and credit to the final consumer are their strongest assets. To reach small mom-and-pop stores, products can go through multiple distributors or wholesalers, and sometimes even larger retailers. Imported products are not well positioned in this market segment.



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Figure 4: Traditional Distribution Channel



Source: FAS/Rabat

SECTION III. COMPETITION

- Limited by logistical and cultural disadvantages, U.S. food and beverages remain noticeably absent from Morocco’s retail sector despite the benefits afforded under the US-Morocco FTA.
- Moroccan retailers have a strong affinity to source imported products from Europe and other nearby suppliers.
- Moroccan consumers (and importers) are not very familiar with U.S. brands.
- Locally produced goods continue to account for the largest share of food products sold in local retail outlets considering only an estimated 10-15 percent of the population repeatedly buy imported products.
- While developing, Morocco’s local industry faces significant constraints to supplying a full range of products demanded by in increasingly affluent population.
- For additional information, see the [Morocco Exporter Guide](#).

Table 7: 2016 Morocco Imports by Product Category

Product (Total Imports)	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Dairy (\$206 million)	23% New Zealand 16% France 16% Netherlands 1.4% United States	- Price - Supply chain - European mindset - Marketing	- Local production limited but growing in volume and diversity
Processed Fruit and Vegetables (\$67 million)	16% Egypt 15% France 13% Spain 2.2% United States	- Price - Supply chain - European mindset - Marketing	- Local production limited to traditional canned peas and tomato paste
Tree Nuts (\$15 million)	60% United States 5.5% Spain 3.4% Cote d’Ivoire 1.1% Indonesia	- Duty-free, quota-free access for US almonds in 2021	- Limited but growing production. - Significant competition from imported products packaged in Morocco.
Wine & Beer (\$19 million)	91% European Union 1% United States	- Price - Supply chain - European mindset	- Significant local production but lacking diversity
Seafood (\$164 million)	27% Netherlands 13% China 8% Greenland 0% United States	- Price - Supply chain	- Moroccans accustomed to fresh fish and local fish species
Pulses (\$41 million)	60% Canada 11 % Egypt	- Availability	- Local production limited. - Significant competition from

	6% France 2% United States		imported products packaged in Morocco.
Fresh Apples (\$6 million)	53% Italy 10% Spain 16% France 0.8% United States	- Price - Supply chain - Marketing	- Limited production of Red Delicious. -Inconsistent quality.

Source: Global Trade Atlas, FAS/Rabat

SECTION IV: BEST PRODUCT PROSPECTS

Products present in the market that have good sales potential:

- No U.S. packaged food or beverages present in significant quantities

Products not present in significant quantities but which have good sales potential:

- Rice
- Pulses
- Almonds, Pistachios, Walnuts
- Prunes, Raisins, Cranberries
- Apples
- Canned Fruit and Vegetables
- Dairy Products
- Frozen food, including Seafood
- Breakfast Cereals
- Flour Mixes
- Confectionary
- Snack Foods, including Popcorn, Cookies, and Crackers
- Health and Diet Products
- Sauces and Condiments
- Pet food
- Wine, Beer, Spirits

(Note: Label'Vie is the only major retailer to sell alcohol and pork through its Carrefour branded outlets.)

Products not present because they face significant barriers:

- Beef – no market access
- Poultry – no market access
- Organics

SECTION V. POST CONTACT AND FURTHER INFORMATION

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